

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 405th
MEETING OF THE**

BOARD OF COMMISSIONERS March 31, 2016

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on March 31, 2016, pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Chairman Bernie Buonanno, Dale Venturini, Patrick Butler, Stan Israel, Paul MacDonald, Tony Mendez, and Jeff Hirsh.

Joe DeLorenzo, John Hooper and Letitia Carter (retired but not yet replaced) were not in attendance.

Also present were James P. McCarvill, Executive Director and Donald Nadeau, Rhode Island Convention Center Authority; Larry Lepore, Amanda Wilmouth, Pamela Bacon, and Cheryl Cohen from the complex; Norbert Mongeon, PFM; Michael Gravison and Dan Schwartz, the VETS; Tom Reil, PWCVB; Ray Keough and Rich Hall, Keough Construction; Chantale Sarrasin, House Finance Office; Robert Bromley, Senate Fiscal Office; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary

Mr. Buonanno called the meeting to order at the meeting at 9:05 AM.

Mr. Buonanno asked for a motion to approve the minutes of the February Board Meeting. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Nee it was unanimously

VOTED: to approve the minutes of the February Board meeting.

Mr. Buonanno asked Mr. McCarvill to present the financial information for the month of February. Mr. McCarvill began his report.

Mr. McCarvill presented the financial statements in the new format. He stated that if there is anything that the Commissioners would like to have added to the statements to make them easier to read we will be happy to accommodate. Mr. McCarvill said that Ms. Bacon and the accounting staff had worked hard to put this together but there may be some areas that need improvement. Mr. McCarvill reported that for the month of February the Convention Center's net income was (\$52,451) to budget and \$141,567 to the prior year. Mr. McCarvill stated that year to date the Convention Center's net income was \$769,124 to budget and \$1,912,977 to the previous year. Mr. McCarvill stated that the Convention Center is having a good year. Mr. McCarvill continued with the Income Statement for the Dunk. He said that for the month of February the Dunkin' Donuts Center's net income variance was \$28,563 to budget and \$121,081 to the prior year. Mr. McCarvill reported that year to date net income for the Dunk was \$178,305 to budget and (\$82,844) to the prior year. Mr. McCarvill

reported that for the month of February the VETS net income variance was \$12,382 to budget and 73,430 to the prior year. Mr. McCarvill said that year to date net income for the VETS was (\$128,324) to budget and \$102,026 to the previous year. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of February was \$11,975 to budget and (\$66,522) to the prior year. Year to date net income for the Authority was \$120,661 to budget and a variance of (\$32,407) to the prior year. Mr. McCarvill stated that hotel room tax will no longer be coming to us. He said that the portion that we received in the past will go to support Commerce Corporation. Mr. McCarvill said that consolidated net income variance for the month of February was \$105,371 to budget and \$269,555 to the prior year. Consolidated net income for the year was \$939,765 to budget and a variance of \$1,900,564 to the prior year. Discussion ensued regarding the new format. Mr. Israel said that the format is already an improvement over the blue sheets. Mr. Buonanno asked if the bottom line could be highlighted so that the forecast and the budget numbers would stand out. Comments were made concerning the size of the print making the pages easier to read and the page numbers are helpful during the discussion.

Mr. Butler asked why more parking revenue was not allocated to the Dunk. Mr. Lepore stated that if promoters thought they could get a piece of the parking they would try to negotiate that into their contracts. That is why we keep parking revenue at the Convention Center. Mr. Butler questioned whether or not labor was allocated

between the facilities.

Discussions continued regarding the reasons for the increase in net income. Mr. Lepore noted that parking rates increased plus we have more parkers with the arrival of more Hasbro employees and Projo parkers. Mr. Lepore also noted the increase in food & beverage net income. He said this is due to more aggressive sales recommendations. Mr. Lepore stated that this is a tremendous year for us but warned that it will not likely carry over to next year.

Mr. McCarvill reported that because Betty Sullivan is no longer employed by the Authority she has been removed as a trustee of the Authority's Retirement Plan and Jim McCarvill has been retained as the trustee. Mr. McCarvill said that an amendment to remove Betty from the plan must be approved by the Board. Upon a motion duly made by Mr. Nee and seconded by Mr. Hirsh it was unanimously

VOTED: to amend the Authority's Retirement Plan.

Mr. Buonanno asked for a motion to accept the financial report as presented. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Mendez it was unanimously

VOTED: to accept the financial report as presented.

Mr. Reil distributed the CVB's report. He reported that rate and occupancy continue to be impressive. Mr. Reil noted the CVB is having some success in attracting religious and fraternal groups to the complex and continue to look at groups that could occupy both facilities. Mr. Reil said that we have some great groups looking at us. Mr. Reil noted that he had toured Hartford and although the facility is new we have the competitive edge. Ms. Venturini asked about CSL projections that we are in a position where our business cannot grow without more space. Mr. Reil said that CSL is in the process of updating their study. Mr. McCarvill said that we must look at our competitive set and make improvements. Discussion ensued regarding the use of the top of the garage because it is the largest space that we have. Mr. McCarvill said that he is aware that the Bureau would like us to have more space for them to sell. He noted that any expansion would mean that we would have to come up with the money and sell the concept to the State. Mr. Mendez asked if anyone else has looked at our options. Ms. Venturini said that it is a work in progress. Mr. Lepore said that there are a number of things that can be done in the building. Ms. Venturini said that this is important.

Ms. Cohen reported that June will be a fantastic month for the Complex. She said that we have gymnastics, SMG Corporate meeting, religious groups CVS public concert as well as a private concert for their banquet. Ms. Cohen reported that Malala is almost sold out and that we are trying to get a second show.

Mr. Schwartz reported that during the deep freeze a pipe burst causing significant damage to the hotel office level. Mr. Schwartz informed the Board that the \$25,000 deductible will be the responsibility of the VETS. Discussion ensued regarding the deductible and why it is not the DOA's issue because the equipment belongs to them. Mr. Butler had questions on the warranty Mr. Schwartz said that there was some discrepancy about maintenance and repairs that were being held up because of a dispute between the manufacturer and State Purchasing

Mr. Schwartz reported that the Encore Lounge is open for business and can be used before or after performances to enjoy a beverage or snack. Mr. Schwartz stated that there have been patrons that have availed themselves of the gathering place before a performance.

A schedule of current parking rates and contracts that was requested by the Commissioners was included (attached) in the package for the meeting. Lengthy discussion took place regarding parking and parking rates. Mr. Butler asked why there were so many different rates. Mr. McCarvill noted that they were negotiated at different periods. He also noted that we were asked to keep our competition in mind when setting rates. Mr. Lepore reported that Enterprise rates have a rental component to their contract because they have office space in the lobby. Mr. Lepore noted that the contract with Enterprise will be up in 18 months. Mr. MacDonald had questions about

validations. Mr. Butler asked why LIN TV rate is higher than other contracts. Mr. Lepore answered that they don't have enough parkers to qualify for the bulk rate. Ms. Venturini asked how we accommodate monthly parkers during an event. Ms. Wilmouth said that our software tracks the number of cars in the garage. Ms. Wilmouth reported that we have an agreement with the Mall that allows our passes to be honored in their garage. Mr. Lepore said that because the garage fill up early he will have 12 spots in the South Garage held for the Commissioners on Board meeting days. Mr. Lepore reported that the doors leading to the Omni have been ordered and will be repaired soon.

Mr. Lepore stated that during the Basketball Tournament we have an agreement to with DOT to park our employees in the Cardi lot. Mr. Lepore noted that our partners have been great. Mr. Butler stated that our amazing staff did a fantastic job. He also said that John Valez and his team did a wonderful job with food. Mr. Buonanno said that everyone from security to management did a spectacular job. Mr. Reil noted that there are 85 NCAA events going out for bid and the fact that everything worked so well during the tournament bodes well for our chances with other bids. Mr. MacDonald thanked everyone and stated that it is the troops on the ground that make us shine. Mr. Butler said that he spoke with several attendees for the tournament and everyone was saying what a great city we have. Mr. Lepore noted that Dan Gavitt is very important and helpful to us. He said that Dan is a big fan of Providence and the Dunk.

Mr. Butler also congratulated Kathy Masino's staff. He said that he arrived late for the St Patrick's Day Dinner. He said that salad had been pre-set on the tables and when the wait staff realized who was sitting there they immediately switched his salad for one that did not have spinach because she was aware that he has an allergy to spinach.

Mr. Keough distributed his report and timeline (attached) and reported that a decision has been made to concentrate on a 1,250 space garage. Mr. Keough reported that Walker Consultants had been given the go ahead to begin the schematic design which is expected to take approximately three months to complete. Mr. Keough noted that the court will be contacted to discuss their needs. Mr. Keough said that we are moving forward so that we will be ready when the I 195 Commission has completed their task. There was some discussion of retail space and where it would be located. Mr. MacDonald asked if parking would be angled or a straight shot. Mr. Keough said that angled eliminates some spaces. Mr. Lepore noted that angled forces people to pull in rather than back in. Mr. McCarvill and Mr. Lepore had questions on where the judges will located and operational issues of their safety. Mr. Keough stated that the courts do not want to be connected to the garage. He noted that the space could be used as a green space or the place for public art.

Mr. Lepore reminded the Board that this will be the City of the

elephant's last performance.

Mr. McCarvill reported that the Bureau of Audits has completed our Performance Audit and we expect to get a report soon. Mr. McCarvill also reported that we have been informed of an IRS Examination of our non-taxable bonds. Mr. McCarvill noted that our Bond Counsel will be representing us in during the examination.

Mr. Buonanno asked if there was any other business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Ms. Venturini and seconded by Mr. Mendez it was unanimously

VOTED: to adjourn at 11:12 AM